

# DOCKET SECTION

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BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, DC 20268-0001

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Docket No. R97-1

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Postal Rate And Fee Changes, 1997

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**MOTION OF ALLIANCE OF NONPROFIT MAILERS  
TO COMPEL ANSWERS TO INTERROGATORY ANM/USPS-28  
(February 10, 1998)**

The Alliance of Nonprofit Mailers ("ANM") hereby moves to compel the Postal Service to answer interrogatory ANM/USPS-28, propounded by ANM on January 23, 1998. The interrogatory, a follow-up to ANM/USPS-22, asks the Postal Service to explain how it would account for revenue collected at commercial Standard (A) rates in response to a back postage assessment against mail originally entered at nonprofit Standard (A) rates. The full text of ANM/USPS-28 is attached as Exhibit 1 to this motion.<sup>1</sup>

The Postal Service objects to the question on two grounds: (1) the question is improper follow-up; and (2) the question exceeds the limits on such discovery imposed by Presiding Officer's Ruling No. R97-1/86 (Jan. 9, 1997). Neither objection is well founded.

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<sup>1</sup> The interrogatory was originally numbered ANM/USPS-27. As noted in the objection, however, ANM previously propounded a different interrogatory with the same number. To avoid confusion, the question at issue shall henceforth be identified as ANM/USPS-28.

Interrogatory ANM/USPS-22 was a general request for all Postal Service publications and regulations concerning the “accounting treatment (in RPW and elsewhere) of mail” bearing nonprofit Standard (A) Mail indicia that was (1) entered at commercial Standard (A) rates or (2) later assessed additional postage on the grounds that the mail was ineligible for nonprofit rates. Presiding Officer’s Ruling No. R97-1/86 compelled the Postal Service to answer the question, but allowed it to limit its “inquiry and response” to “those personnel at Service headquarters involved in a regular basis with RPW data, and to those handbooks applicable nationally.” *Id.* at 9. In its answer, the Postal Service asserted that it had no materials at headquarters that “specifically address the conditions described” in ANM/USPS-22. Response of USPS to ANM/USPS-22 (filed Jan. 16, 1998).

ANM has followed up with ANM/USPS-28 because it finds incredible the notion that an organization as large and rule-bound as the Postal Service lacks rules to govern the accounting treatment of commercial Standard (A) revenue received in these circumstances. ANM/USPS-28 is entirely appropriate—indeed, conventional—as a follow-up to the Postal Service’s answer. As the Postal Service notes, the second question is essentially a variant of the first. Objection of the USPS (Jan. 30, 1998) at 5. It is not unusual in litigation against the Postal Service for more specific variants of a question to elicit a responsive answer after a more general version has elicited only a brush-off. That, indeed, is one of the main reasons for allowing follow-up questions.

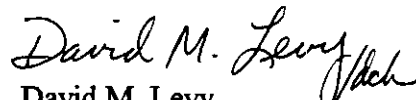
The Postal Service’s claim that ANM/USPS-28 “is merely an attempt to ask the Postal Service the same questions that the Presiding Office has ruled are not timely” (USPS Objection at 5) is incomprehensible. While limiting the scope of ANM/USPS-22, Presiding Officer’s Ruling No. R97-1/86 compelled the Postal

Service to answer it.

Finally, ANM does not seek to expand the scope of the Postal Service's inquiry beyond the limits set in Ruling No. R97-1/86. If a diligent inquiry among "those personnel at Service headquarters involved in a regular basis with RPW data," and a diligent scrutiny of "those handbooks applicable nationally" still leaves the Postal Service clueless about how it accounts for revenue received in the circumstances posed, ANM will accept that as an answer.

Respectfully submitted,

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February 10, 1998

## **EXHIBIT 1**

**ANM/USPS-28.** Assume that several mailings bearing Nonprofit Standard Mail (A) (or nonprofit third-class) indicia later gave rise to payment of back postage on grounds that each affected mailing was ineligible for nonprofit rates.

- a. When a check is received for payment of the back postage, would the payment be credited to a Standard Mail (A) (commercial) revenue account, or to a Nonprofit Standard Mail (A) revenue account? Please identify the account to which the payment would be credited, and explain why the Postal Service accounts for such payments in this way.
- b. Assume that the checks for payment of back postage were all received within the same time frame, but in different cities. Would the payment always be credited in the same manner as described in response to preceding part (a), or is it possible that in one city it would be credited one way, but in another city it would be credited differently? Please explain.
- c. If your response to preceding part (b) is that such payments are systematically credited in the same way, please:
  - i. identify the accounting regulation, rule, standard, guideline, instruction, or procedure that specifies the account to which the receipt of payment of back postage (under the circumstances specified here) should be credited, and
  - ii. produce a copy of the accounting regulation, rule, standard, guideline, instruction, or procedure.
- d. When the payment is credited to a revenue account in the manner described in response to preceding part (a), is a new or revised form 3602 filled out? If not, what record(s) is (are) filled out in conjunction with receipt of the payment? Please identify the regulation, rule, standard, guideline, instruction, or procedure that specifies when a new or revised form 3602 is to be filled out, and produce a copy of the regulation, rule, standard, guideline, instruction, or procedure.
- e. Assume that the check for payment of back postage is received and credited to a revenue account (as described in your response to part

(a)) in an office that is part of the PERMIT system. Please describe how the PERMIT system would pick up and reflect these additional revenues in the RPW system. For example, would the PERMIT system pick up revenues without any corresponding mail volumes? If not, how is the situation handled? Please identify the regulation, rule, standard, guideline, instruction, or procedure that specifies how the PERMIT system would pick up and reflect these additional revenues, and produce a copy of the regulation, rule, standard, guideline, instruction, or procedure.

- f. If a revised form 3602 is filled out, does it have the effect of removing the volume for which the payment of back postage is made from the nonprofit category and transferring it to the commercial rate category?
- g. Assume that a nonprofit organization has made a payment for back postage within the same year when the mail was entered and the "case" has been closed. How are the revenues and volumes for the affected mail finally recorded in the revenue accounts and the RPW system? Please identify the regulation, rule, standard, guideline, instruction, or procedure that specifies how the revenues and volumes for mail affected in this manner should be recorded and reported and produce a copy of the regulation, rule, standard, guideline, instruction, or procedure.

### **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

David M. Levy/dm

February 10, 1998